

## Infill Incentive District (IID) Update Public Meetings Summary

Tuesday, October 11, 2022 | 5:30pm – 7:00pm | Sentinel Building, 320 N Commerce Park Loop

Thursday, October 13, 2022 | 9:00am – 10:00am | Virtual via Zoom

This document summarizes public input from two meetings to gather stakeholder feedback on the proposed updates to the Infill Incentive District, otherwise due to sunset in January 2023.

At both meetings, Planning and Development Services staff gave a presentation on the background of the IID, examples of the development that has occurred through its use, stakeholder engagement conducted to date, and proposed updates. Questions and clarifications were discussed in both meetings. Online and printed comment forms were also distributed for additional feedback. Approximately 60 participants attended one of the meetings. The presentation and additional background can be accessed on the project webpage: <https://iidupdate.tucsonaz.gov/>

### Summary

Primary issues mentioned are listed first. More detailed input from both meetings is listed below.

- Affordable housing is a priority. Some feel that 15 percent affordable units is not a high enough requirement to receive development incentives or to result in enough affordable units added to the area. Others cited case studies indicating that too strict requirements will not result in any new units.
- While the IID has helped small businesses locate or expand throughout the downtown area, first floor vacancies in new development are visible and concerning.
- Clarification requested on details of proposed boundary expansions, including how transitions to adjacent lots and neighborhoods are maintained, future development on split lots, future building heights and density, and historic preservation.

### Detailed Input

Public comments have been grouped by similar topic. Responses are in *italics*

#### Affordable Housing

##### What is affordable housing?

*Generally, housing is affordable when it costs less than 30% of a household's total income.*

*Affordable housing is priced at 30% of various levels of income. Here, affordable housing would be priced at 30% of incomes that are 80% or less than the Area Median Income (AMI).*

##### How much affordable housing is required to use IID?

*At least 15% affordable housing is proposed to utilize IID incentives.*

**Fifteen percent affordable units does not sound like enough to address large deficit of affordable housing. Housing Affordability Study in Tucson (HAST) calls out large deficit in affordable housing. Large numbers of people moving to Tucson, also vulnerable populations including elderly. Could there be higher percentage of required affordable units in more income categories?**

*15% is proposed amount to encourage viable projects. It also is meant to encourage mixed income projects.*

**Santa Fe example: as a response to affordable housing crisis, implemented mandatory 10% affordable units in all development, but nothing 'penciled out.' Nothing was built. Trying to find the right percentage is the goal. Recent drop in workforce is stalling construction of housing development already in pipeline. This is another way costs have increased.**

**Based on a recent conversation with a developer who builds affordable housing, adding affordable units in projects that have market rate housing requires the developer to create two development plans. This discourages the inclusion of affordable housing as an incentive.**

**How can affordable housing be encouraged on vacant lots?**

*City owned lots could go through rezoning if prioritized / are good candidates based on a range of criteria.*

*Barrio Anita examples are just outside of the IID - follow up with Housing and Community Development Department (HCD) would be helpful.*

**How is affordable housing maintained long term?**

*Requirement is to maintain affordable rental units for 50 years, condos for 30 years.*

**What is a residential density cap?**

*Removing a density cap could allow for more units in the same size of lot, even if they were smaller units.*

**Are there options for rent to own? Housing, affordable housing and rent to own options are a priority.**

*Rent to own may be component of possible development. Size and scale of Nearmont site could accommodate mix of uses, mix of housing types, from townhomes to single family housing.*

**Concerns about density in the Menlo Park area, when IID incentivizes density**

**Desire to prioritize chances to own homes and more housing, but with concerns about density**

## **First Floor Vacancies**

**Can you provide more background on first floor commercial vacancies?**

*The IID has requirements for street level activation that supports an interesting and more appealing environment for walking. This has been interpreted as retail use. Some developers lack the project experience to design and build successful mixed-use retail, and the market has been difficult in recent years (reasons include a decline in foot traffic and increase in online shopping during the pandemic)*

**Is the first floor required to be used as commercial?**

*A proposed update is to allow more flexible interpretation of first floor activation. Vacancies are not the ideal outcome.*

## Proposed Boundary Changes

**Menlo Park Neighborhood Plan includes ideas for a family park on the Nearmont site. The neighborhood plan timeline is longer than the IID update. It's important for the neighborhood plan to be finalized.**

*The parcel is currently split – half is in the IID and half is not. This limits options and flexibility for a comprehensive development of the site. Half currently cannot use the IID incentives and would have to rely on underlying zoning.*

**Did you look at a boundary expansion between 1st Street and University along Main Avenue? There's a hole along Main between 1st and University of industrial and commercial zones that is ideal for this kind of overlay**

*Difficult to make very large changes – it's a little more mixed zoning in that area. Stone has more examples of split parcels. Expansions along Main could be a focus with more feedback or in the future.*

**There's a major food desert downtown. Is there a way to encourage a general grocery store that would service neighborhoods around there?**

*A goal of the IID is to help incentivize that kind of project that hasn't worked out so far.*

**Ward 1 business owners and property owners along Congress are in favor of the ability to reduce required parking through the IID. Congress is considered a gateway to downtown, and density and parking have effects on traffic.**

**The IID is authorized by state statute, where the city must meet at least 3 of the criteria to use the IID. Once sufficient development occurs, and you can no longer meet those standards, will the IID boundaries be reduced?**

*We are not proposing and reductions to the IID boundaries. One of the key goals for the IID is to promote transit-oriented development around the streetcar. This helps leverage the major investment our community made to build a fixed guideway transit line.*

## Neighborhood and historic preservation

**Is there a waiver for historic preservation that allows use of the IID?**

*There have been no recent requests to demo historic structures and use the IID*

**The changes downtown mean different things to elders, young people. It is not recognizable to some, they don't go there anymore. Gentrification is a problem. How do these investments help the neighboring barrios?**

**Thoughts about existing small historic buildings in IID (some "protected", some not) being overwhelmed physically & aesthetically by larger commercial & residential new builds. Are these proposed changes supposed to help with this side effect of development in the IID.**

**The Trinity project was built in an HPZ historic district when the city allowed the developer to carve the project out of the HPZ. How does this protect historic structures?**

The Trinity project did not use the IID for that reason - it was a site-specific Planned Area Development (PAD) so that the historic structures and design issues could be considered for that unique site.

**Some sites with historic protection and have still been redeveloped. Maybe something contributing to a loss of trust with these proposals.**

**Recent crime increases feel connected to newer development.**

**The IID does not address displacement concerns, but rather perpetuates and extends displacement, gentrification, and unaffordability.**

## **IID Process**

**What is the typical review timeline?**

*IID projects can take 3-6 months for approval, outside of the standard development package and permit review process. The timeline depends on the complexity of the project. Minor projects may take 2-3 months for review, major projects could be 3-6 months.*

**Is the streamlining of the process expected to reduce any of those timelines?**

*Yes, integrating the parking approval may reduce the approval timeline.*

**Is there a way to simplify the districts and subdistricts. It's hard to navigate – even for city staff.**

*We are looking at how to simplify some of these districts, but they can be complicated to consolidate.*

**How will the city build safety and security into the expansion?**

*Some of the IID design considerations relate to safety and visibility - such as ensuring active ground floor uses to provide eyes on the street. Much of the discussion on specific project proposals has been around making sure new development does not create alleys/walkways without visibility, lighting, and good sightlines.*

## **Walkability, Transportation, Parking**

**The Major Streets and Routes Plan seems at odds with the TOD goals of the IID - is there a way to suspend MS&R within the IID? West Congress is a good example of this. It is slated to be widened!**

**Can you work with Department of Transportation to provide relief from the Major Streets and Routes plan expansions?**

*One of the action items from Move Tucson, the City's mobility and transportation plan, could be an amendment to the Major Streets and Routes plan. We would definitely look at the future ROW designated for streets downtown*

**Shifting to walkability doesn't seem realistic.**

**Reduction in parking allows for vacant properties to have more options for reuse. Occupying vacancies helps reduce crime.**

**A number of parking spaces in the IID are spoken for multiple times as justification for reducing parking requirements. How will the city enforce the parking requirements?**

If I may offer my persistent criticism: this continues to be a slow-moving urban renewal project that I don't think you've made a good case that we wouldn't be better off letting the IID sunset.

### **Clarifying Questions**

**What is DRC?**

*Design Review Committee, members are appointed by the City Manager*

# Infill Incentive District Update Public Meeting

# Welcome!

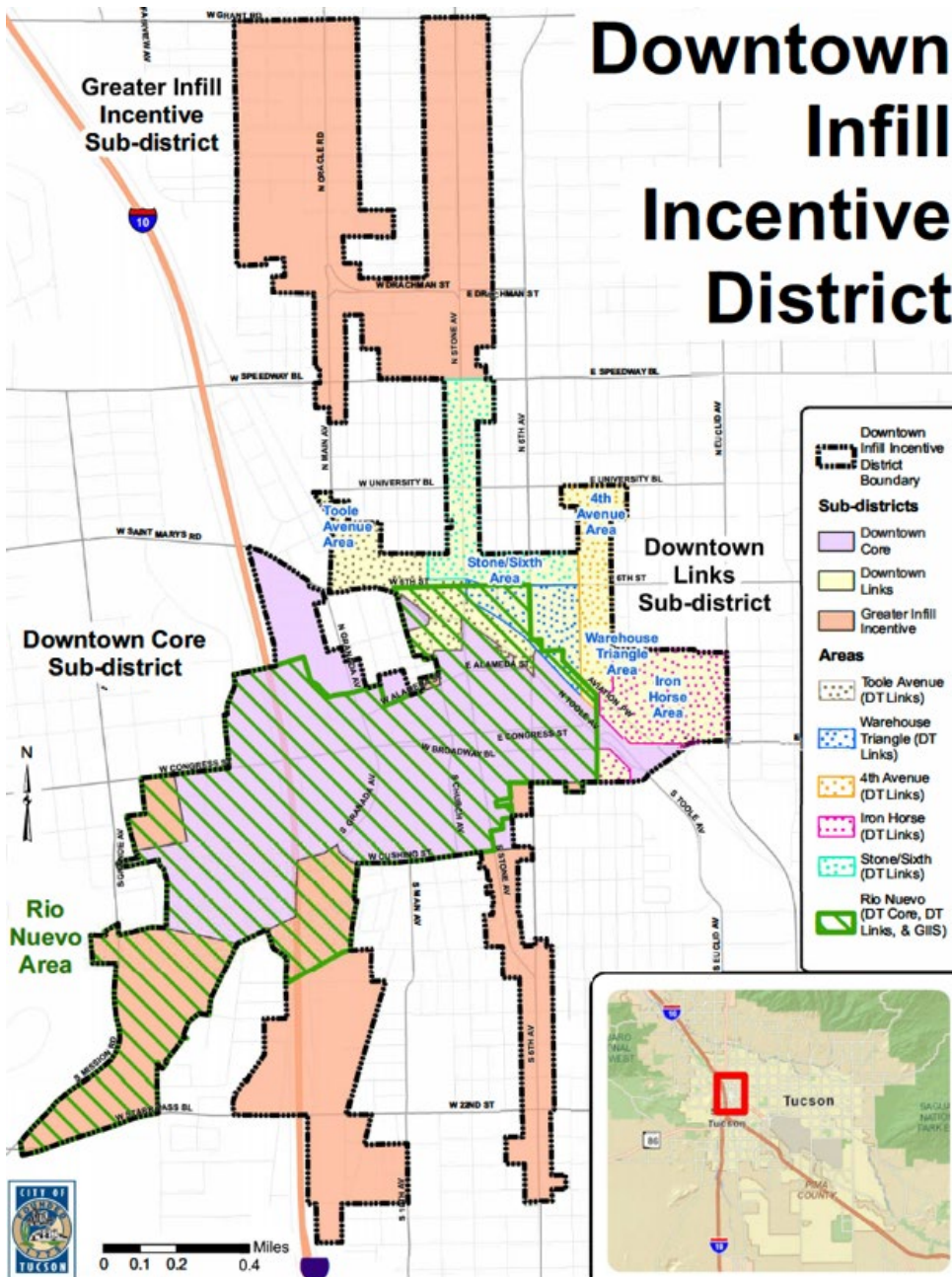
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## Agenda Overview

1. Overview of Infill Incentive District (IID)
2. Process and feedback to date
3. Overview of potential IID amendments
  1. IPP incorporation
  2. Design Changes & Test Sites
  3. Minor Clean-ups & Clarifications
  4. Residential / Affordable housing items
  5. Boundary Changes
4. Discussion
5. Next Steps



# Downtown Infill Incentive District



## What is the Infill Incentive District (IID)?

- Optional zoning overlay – property owners that choose this option can develop using standards designed to encourage **pedestrian- and transit-oriented mixed-use development**
- Projects must meet **design standards and historic preservation** regulations in return for more flexibility
- Established by Mayor and Council in 2006 with **modifications** made over time



# Central Business District (CBD) vs. Infill Incentive District (IID)

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## CENTRAL BUSINESS DISTRICT

### Financial Incentives

Utilizes the GPLET or the Government Property Lease Excise Tax – 8-year tax abatement

Intended to facilitate the development and redevelopment of property in and around Downtown Tucson

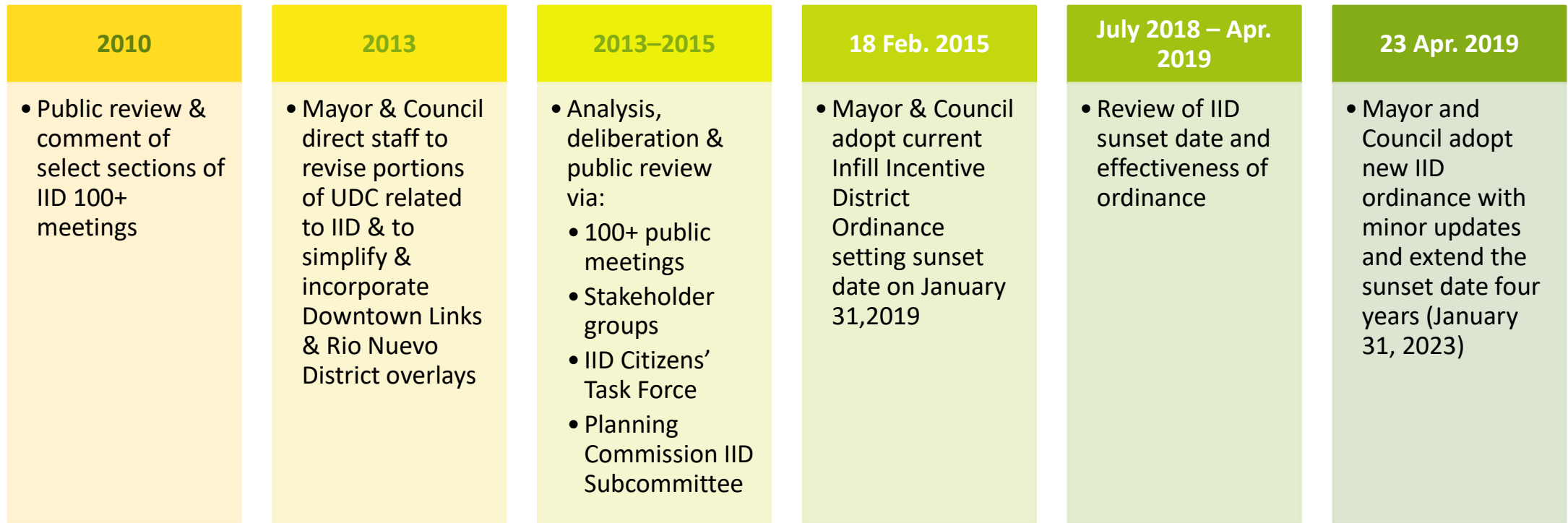
## INFILL INCENTIVE DISTRICT

### Zoning / Regulatory Incentives

Utilizes zoning flexibility (parking, access, landscaping, etc.) in exchange for better designed projects

Intended to support Transit Oriented Development and adaptive reuse projects

**While they cover similar areas, and many times are both used on projects, they do not have the same boundaries and are different processes that are not tied to each other.**



Last time IID underwent significant changes

# Infill Incentive District Background



# The Marist – 111 S. Church Ave.

Completed in 2018

83 Affordable Senior Residential  
Units

Included adaptive reuse of historic  
Marist College building and new 7  
story multi-family building

Modifications included:

- Parking reductions
- Setbacks reductions
- Landscape waivers

Housing Units	
Total new residential units	1120
Total new affordable/senior housing units	250

# Affordable housing projects in the IID

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The Westerner (10 E Broadway Boulevard)

- 50 affordable units w/ ground floor commercial and retail

Marist on Cathedral Square / Marist College (235 S Church Avenue & 111 S Church Avenue)

- 83 affordable senior residential units

7<sup>th</sup> Avenue Commons (58 E 5<sup>th</sup> Street)

- 50 affordable units

West End Station (885 W Congress Street)

- 70 affordable units

**250 affordable units in total**

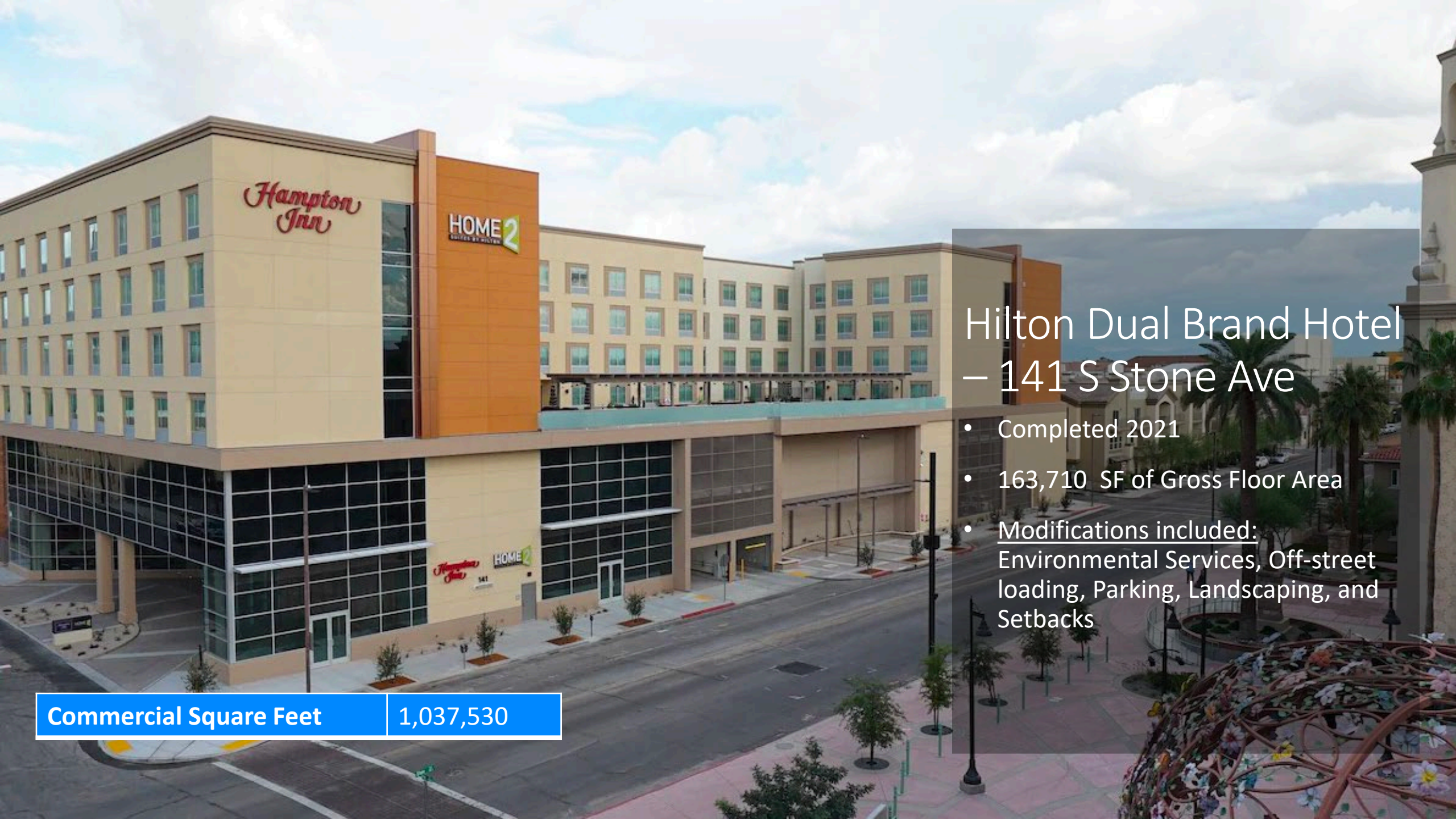
# The Flin – 110 S. Church Ave.

- Completed in 2021
- 243 Market-Rate Residential Units
- 424,123 SF of Gross Floor Area
- Incorporated several historic resources on-site
- Modifications included:
  - Parking reductions
  - Setbacks
  - Landscaping
  - Access, etc.

## Housing Units

Total new residential units

1120




## Hilton Dual Brand Hotel – 141 S Stone Ave

- Completed 2021
- 163,710 SF of Gross Floor Area
- Modifications included:  
Environmental Services, Off-street loading, Parking, Landscaping, and Setbacks

Commercial Square Feet

1,037,530

The image shows the interior of a modern cider house. On the left, a long bar with a dark wood top is lined with dark metal bar stools. Behind the bar, a wall of beer taps is visible. The floor is made of polished concrete with a central strip of darker material. To the right, there are several tables with dark metal chairs. The lighting is warm and industrial, with pendant lights hanging from the ceiling. The overall atmosphere is clean and contemporary.

## Bawker Bawker Cider House – 400 N. 4<sup>th</sup> Ave

- Completed in 2020
- Adaptive re-use of existing retail space in historic building
- 6,222 SF of Gross Floor Area
- Modifications included:  
Parking & landscaping

# Projects facilitated through IID

Projects by Use	
Mixed Use (Residential + any other use)	11
Residential - Multifamily	7
Commercial Services - Food and Beverage Service/Entertainment	22
Commercial Services - Offices	5
Commercial Services - Lodging	3
Civic Use Group - Cultural / Civic Assesmbly	2
Retail - Food and Beverage Sales	2
Total	52

Housing Units	
Number of residential units	1120
Number of affordable/senior housing units	250

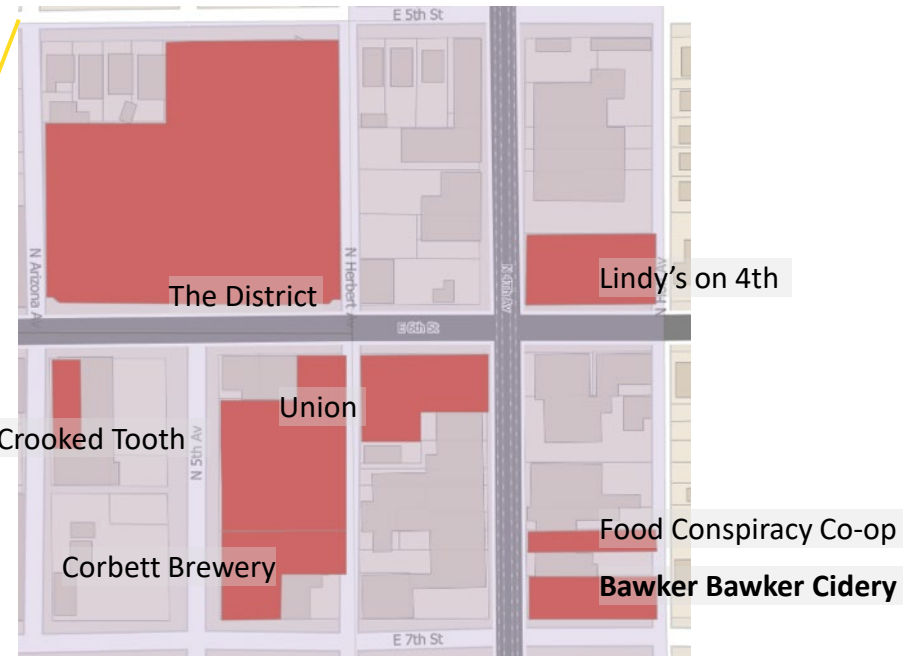
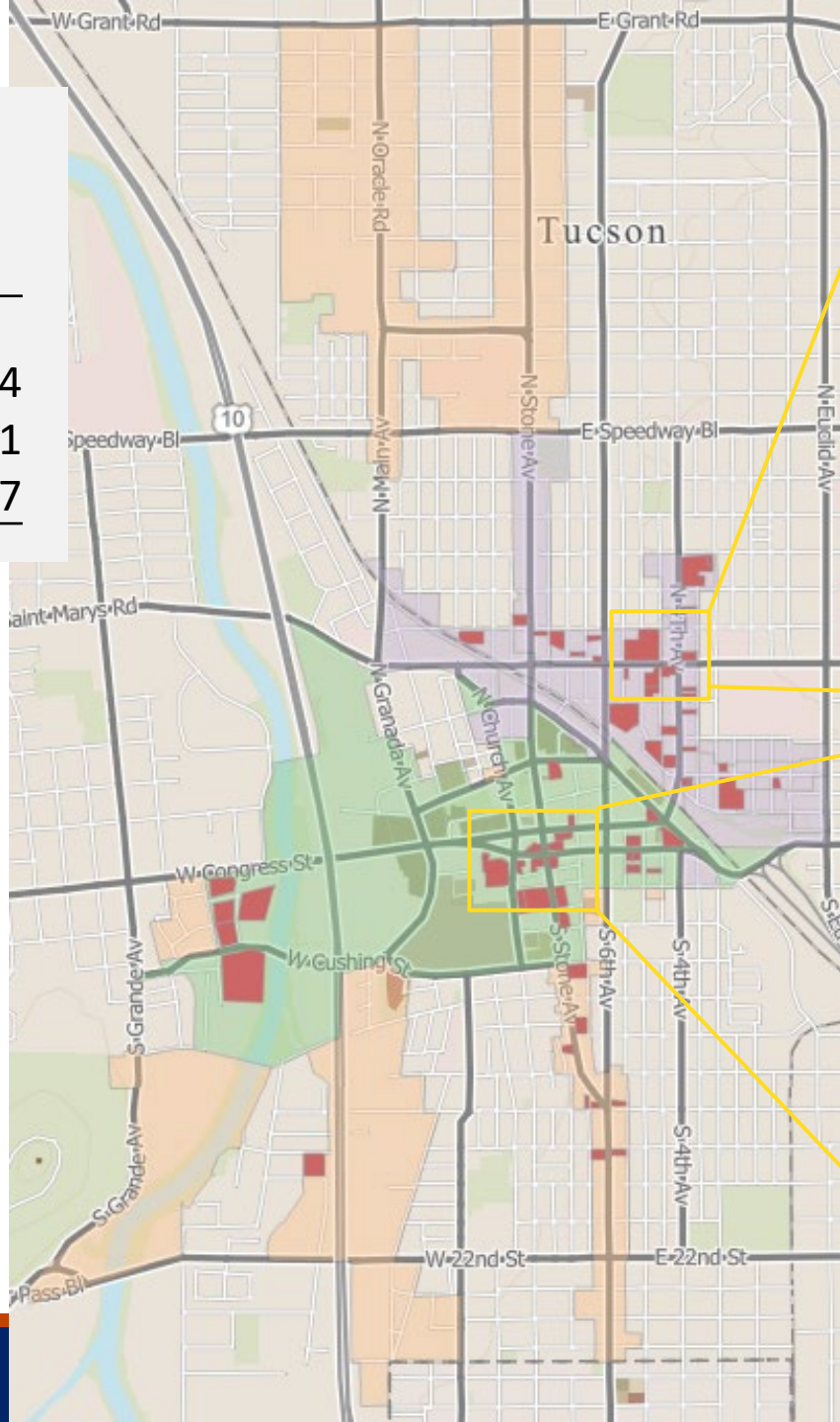
Commercial Square Feet	
	1,037,530
<i>Note: Data available for 34 projects</i>	



# Placemaking


## Project Locations

Downtown Core	14
Greater Infill Incentive	11
Downtown Links	27



**Legend**




**IID Projects**

 IID

**Infill Incentive District Projects**

**IID Subdistricts**

**IID Subdistrict Name**

-  DOWNTOWN CORE SUBDISTRICT
-  DOWNTOWN LINKS SUBDISTRICT
-  GREATER INFILL INCENTIVE SUBDISTRICT

# Stone and Broadway - 2011

One-story office



Outdated offices

Surface Parking



# Stone and Broadway - Now

New Affordable Housing

Adaptive reuse of historic building

New Housing

Streetcar Stop

Ground floor medical office



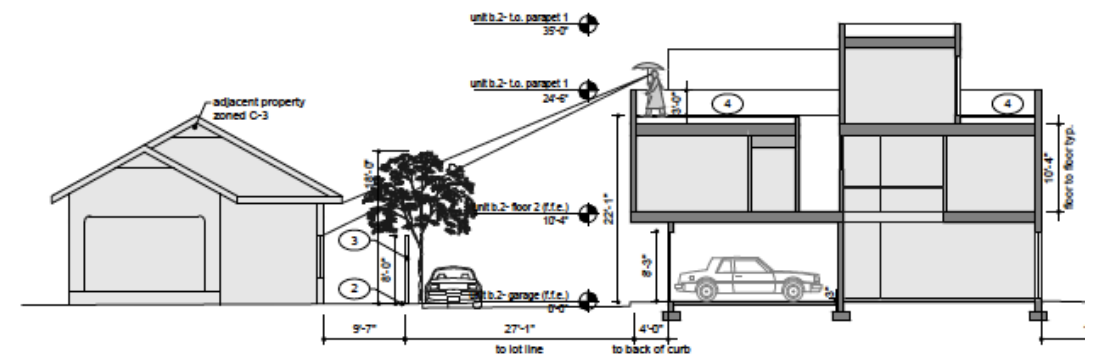
# Development Transition Standards

The Infill Incentive District has development transition standards and bulk reduction requirements that the underlying zoning does not, such as:

- Requirement to step down heights over 25 feet to single-family residences (GIIS and DCS)
- Requirements to break up massing so the façade is less imposing
- Privacy reduction via window & balcony placement
- Buffers / screening via landscaping, walls, etc.



E 5<sup>th</sup> St at N 7<sup>th</sup> St, looking west



# Historic Preservation / Adaptive Reuse

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The Infill Incentive District also has historic preservation requirements and standards to encourage adaptive-reuse of existing structures that the underlying zoning does not, such as:

- Applicants are prohibited from using the IID zoning option where demolition of a historic structure occurs on that property or where work would de-list a contributing property
- Historic review is required for all sites utilizing the IID with or adjacent to contributing properties. This is in addition to the required IID design review.
- The flexibility built into the IID (parking, landscaping, lot coverage, setbacks, etc.) makes the reuse of older and historic sites more viable

**Over half of IID projects have been smaller (minor) projects such as a simple change of use**

# Housing Affordability Strategy for Tucson (HAST)

Comprehensive affordable housing strategy adopted by Mayor & Council .

Strategy includes:

- introduction of housing concepts
- data to inform future decisions
- ten policy initiatives.

One of those initiatives (5.3) relates to incentivizing affordable housing in overlays:

**“Incorporate incentives into planning and overlay zoning on transit corridors.”**



# Sunshine Mile Affordable Housing Incentive

Proposal based on Sunshine Mile Affordable Housing incentive

Eligibility:

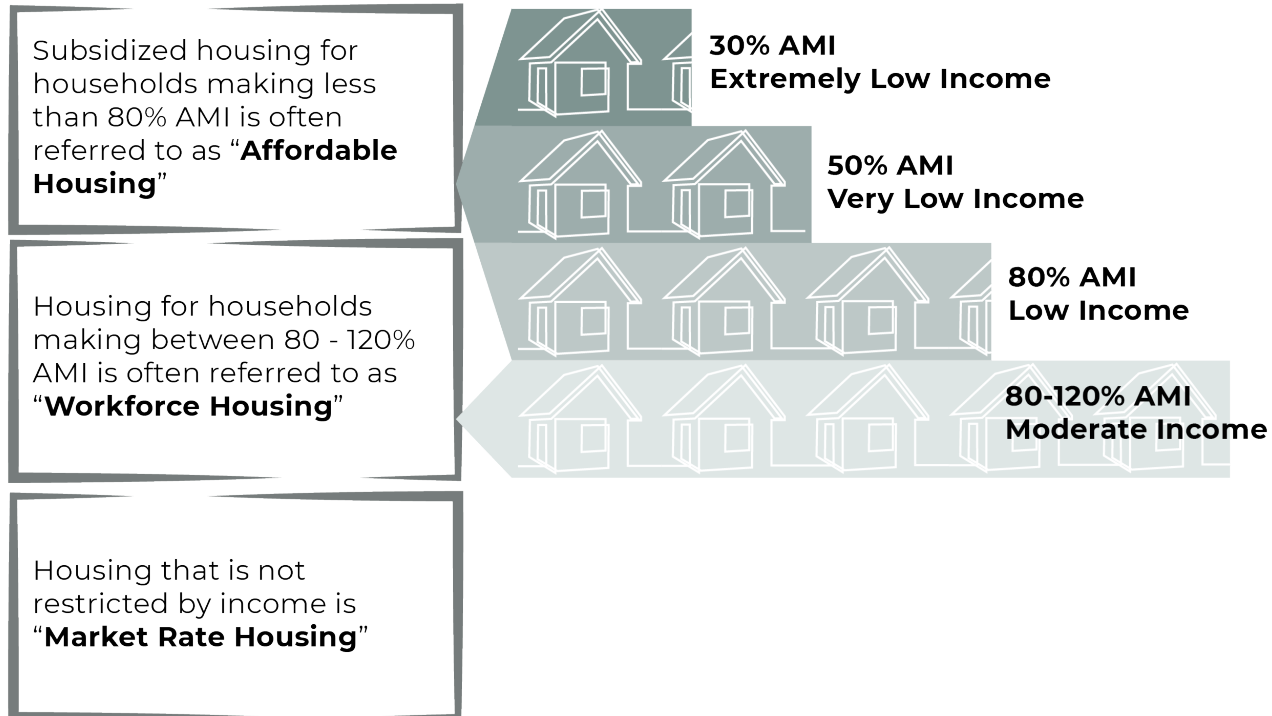
- At least 15% of total units must be affordable units.
- 80% or less of Area Median Income (AMI) where housing costs do not exceed thirty (30) percent of a family's income.

Terms:

- 50 years for rental units / 30 years for condos

Incentive:

- No density cap, reduced parking



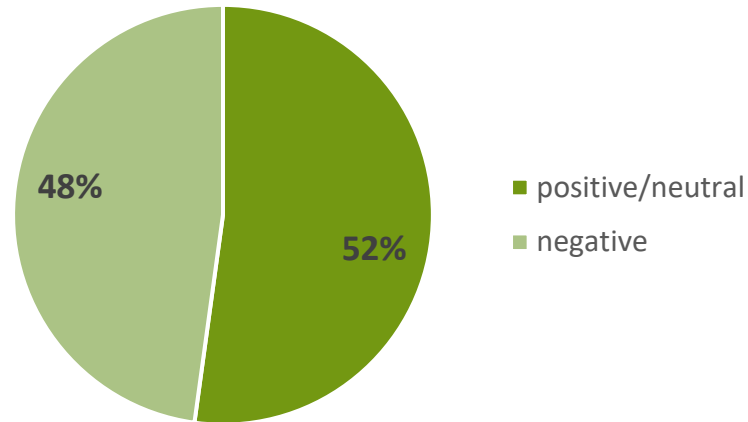
# Overview of Public Outreach

- February 8 – Mayor and Council Study Session to initiate process to update the IID and address sunset date
- March and April – Pop-up events to get feedback on IID and Downtown Development (Tucson norte-sur, Cyclovia)
- March 10 - Presentation to Tucson / Pima County Historic Commission – Plans Review Subcommittee
- March 25 – Presentation to City of Tucson Design Review Board
- April 26 – Stakeholder listening session
- July and August – Presentations to Commission on Equitable Housing for feedback on new Affordable Housing incentives
- September – Four focus group meetings with Design Professionals, DRC members, Architects, Business-owners, and Staff
- October 4 – Discussion at Ward 1 w/ Congress business & property owners



# Preliminary Public Input

General Impression (n:23)



## Top things to keep the same or increase (n: 65)

Keyword theme	Mention frequency	Percentage of total mentions
Bike/ped transit	15	23%
Historic buildings, narrow streets	12	18%
Support for long-standing, independent, and local businesses	15	23%
Residential support services + affordable housing	9	14%
Trees/landscaping on streets	6	9%
The "culture"/SW identity	6	9%
Signage for cars, flow of traffic	5	8%
(18 more themes with fewer than 5 mentions)		

## Top things to avoid or reduce (n: 65)

Keyword theme	Mention frequency	Percentage of total mentions
Auto-centric transit	7	11%
Gentrification	8	12%
Generic / modern building styles	7	11%
Expensive (as in rents for businesses and in a general context)	5	8%
(10 more themes w fewer than 5 mentions)		

# Feedback from Stakeholder Listening Session in May

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## **Key Areas of Discussion**

- Affordable Housing
- Administration of the Code
- Design Standards
- Land Use Mixes
- Historic
- Sustainability
- Other Topics

# Feedback from Stakeholder Listening Session in May

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## Key Areas of Discussion

- Affordable Housing
- Administration of the Code
- Design Standards
- Land Use Mixes
- Historic
- Sustainability
- Other Topics

Conducted targeted outreach to address these items

# Feedback from Focus Groups


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## **Key Areas of Discussion**

- Boundaries – need for minor changes at edges
- Process
  - How to streamline / consolidate different processes
  - How to reduce the timeline for projects
- Content
  - 1<sup>st</sup> floor commercial can pose challenges
  - Affordable housing incentives
  - Alternative transportation incentives
  - More flexible parking standards
  - Review design standards for Greater Infill Incentive Subdistrict / Downtown Links
  - Sustainability incentives (green infrastructure, cool roofs, etc.)



# Potential Changes to IID

- Individual Parking Plan integration
  - Design standards for Downtown Links / Stone Ave Corridor
  - Minor clean-ups and clarifications
  - Residential uses in industrial zones
  - Affordable housing incentive
  - IID boundary changes
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# Individual Parking Plan Integration

- Individual Parking Plan (IPP) integration in to the IID
  - Currently, the IPP is a separate process to reduce parking requirements that runs concurrently with the IID review
  - This proposal would take the standards from the IPP (Section 7.4.5.A), and bring them into the IID (Section 5.12.8).
  - Instead of two separate approvals, there would be one for the IID that would include parking reductions, if needed.
  - Applicant would still need to provide parking study and show how they meet their parking needs.

# Design standards & minor tweaks

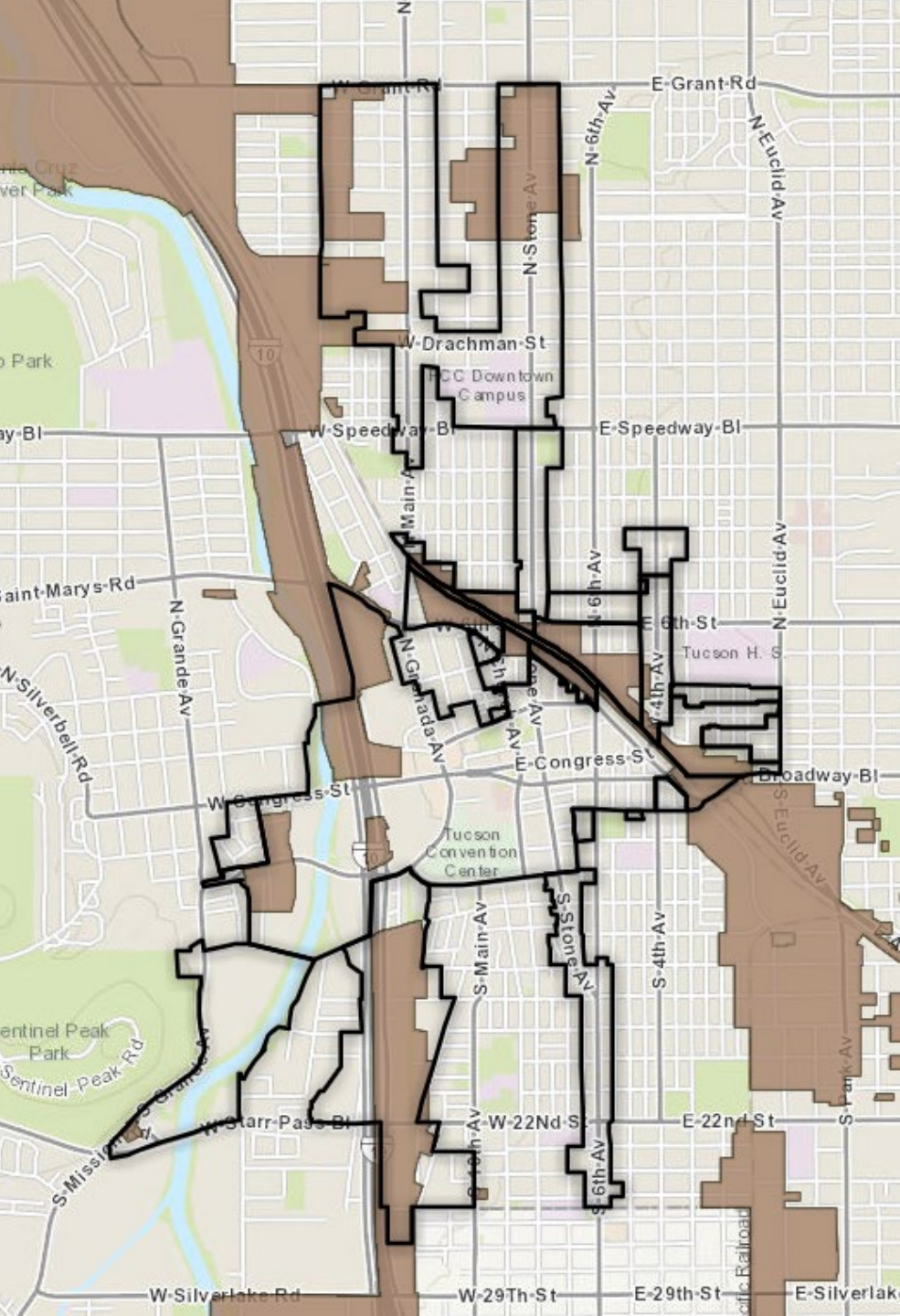
- Design standards for Downtown Links / Stone Ave Corridor
  - Privacy standards for adjacent properties with same ownership
  - Orientation of buildings to be reflective of in process transportation projects
  - Direction for temporary uses / phasing of projects
  - Parking requirements / flexibility
- Clarify how shade requirements in General IID Standards and Rio Nuevo Area are determined
- Clarification on ground floor activation



# Approach on residential and affordable housing

- **Allow residential development on industrially zoned land** within the Greater Infill Incentive Subdistrict and Downtown Core Subdistrict (expand land available for new residential)
  - Residential use in industrial areas already allowed in the Downtown Links subdistrict
- Baseline densities and building heights for market rate housing are proposed depending scale of development of those subdistricts
- **Incentivize affordable housing** through density and building height bonuses for affordable housing projects within those subdistricts





# Industrially zoned land in the IID

- Residential development is currently allowed on industrially zoned land in the Downtown Links Subdistrict
- However, land zoned industrial in the Greater Infill Incentive Subdistrict and Downtown Core are zoned industrial and currently do not allow residential development
- This totals:
  - 27.5% of land in the Greater Infill Incentive District
  - 17.7% of land in the Downtown Core

# Residential uses in Industrial Zones

- Revise code so that multi-family residential development is allowed on industrially zoned property outside of the Downtown Links Subdistrict.
- Set a baseline density cap for industrial zones equal to :
  - R-3 zoned property in Greater Infill Incentive District (36/acre)
  - C-3 zoned property in the Downtown Core (87/acre)
- Set a maximum building height equal to:
  - R-3 zoned property in the Greater Infill Incentive District (35 feet)
  - 60 feet in the Downtown Core

# Affordable Housing Incentive

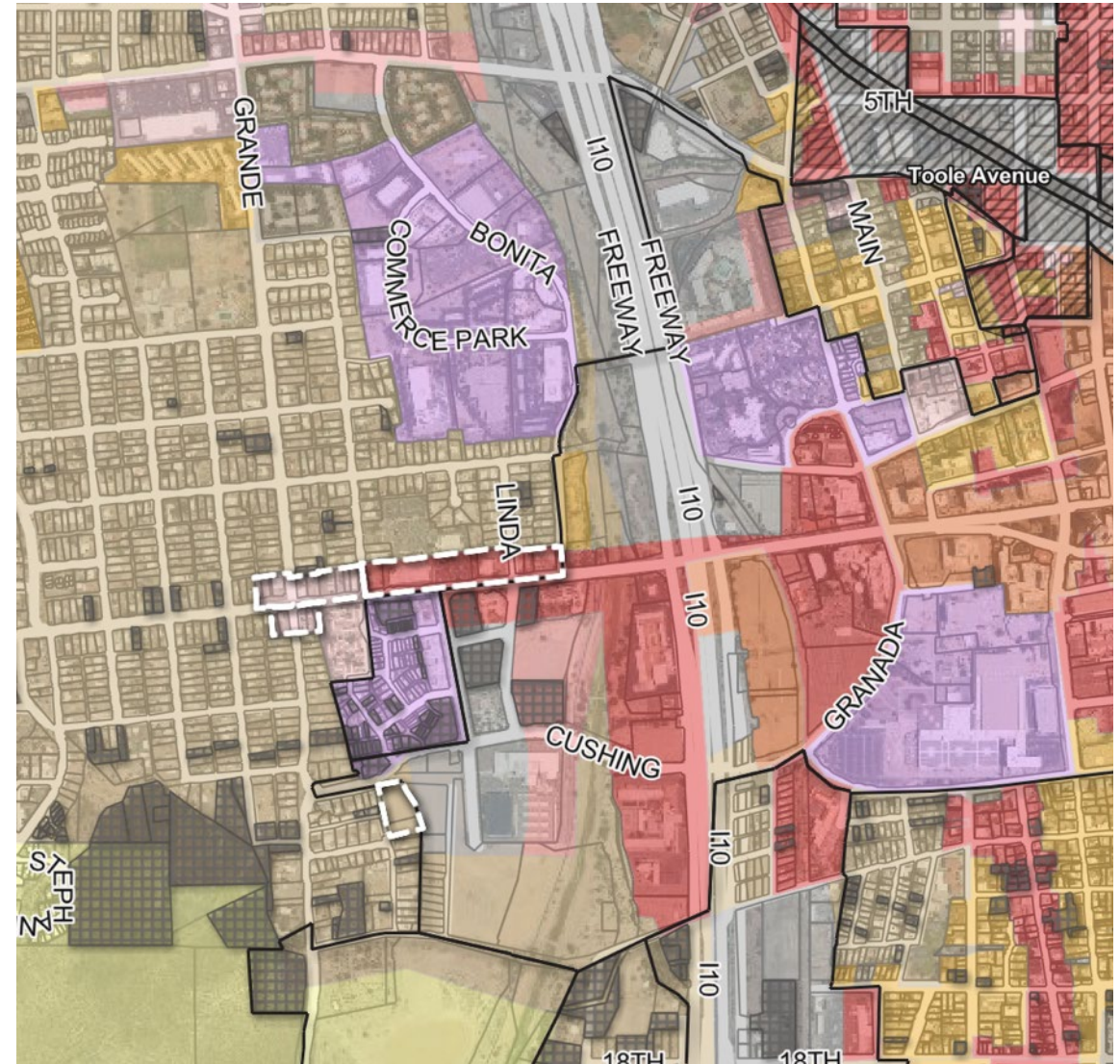
- Amend the IID to support affordable housing in the following ways:
  - Incentives for projects with 15% affordable units:
    1. Removal of residential density caps in industrial zones
    2. Building height up to:
      - 75 feet in the Downtown Core
      - 60 feet in the Greater Infill Incentive District
  - New pre-approval process for affordable housing projects

**Affordable is defined as 80% or less of Area Median Income (AMI) where housing costs do not exceed thirty (30) percent of a family's income.**

# IID Boundary Changes

Minor tweaks to boundaries at edges to reduce number of split parcels and include commercially zoned areas

- Congress St commercial corridor in Menlo Park
- Former Nearmont landfill site
- Commercially zoned property along Stone Avenue in Dunbar Spring



# Congress St Commercial Corridor

C-1 and C-3 Zones  
Several historic properties



Benefits of adding to IID:

- Historic protections in the IID would help to encourage reuse of existing structures (modifications to building that would affect contributing status are prohibited)
- IID includes transition standards and bulk reduction that the underlying zoning does not
- Flexibility (parking, landscaping, etc.) of the IID allows for a change of use and business expansions which are more challenging with the underlying zoning

# Former Nearmont Landfill Site

Owned by City of Tucson  
Portion outside IID is zoned R-2  
Site is split by IID boundary

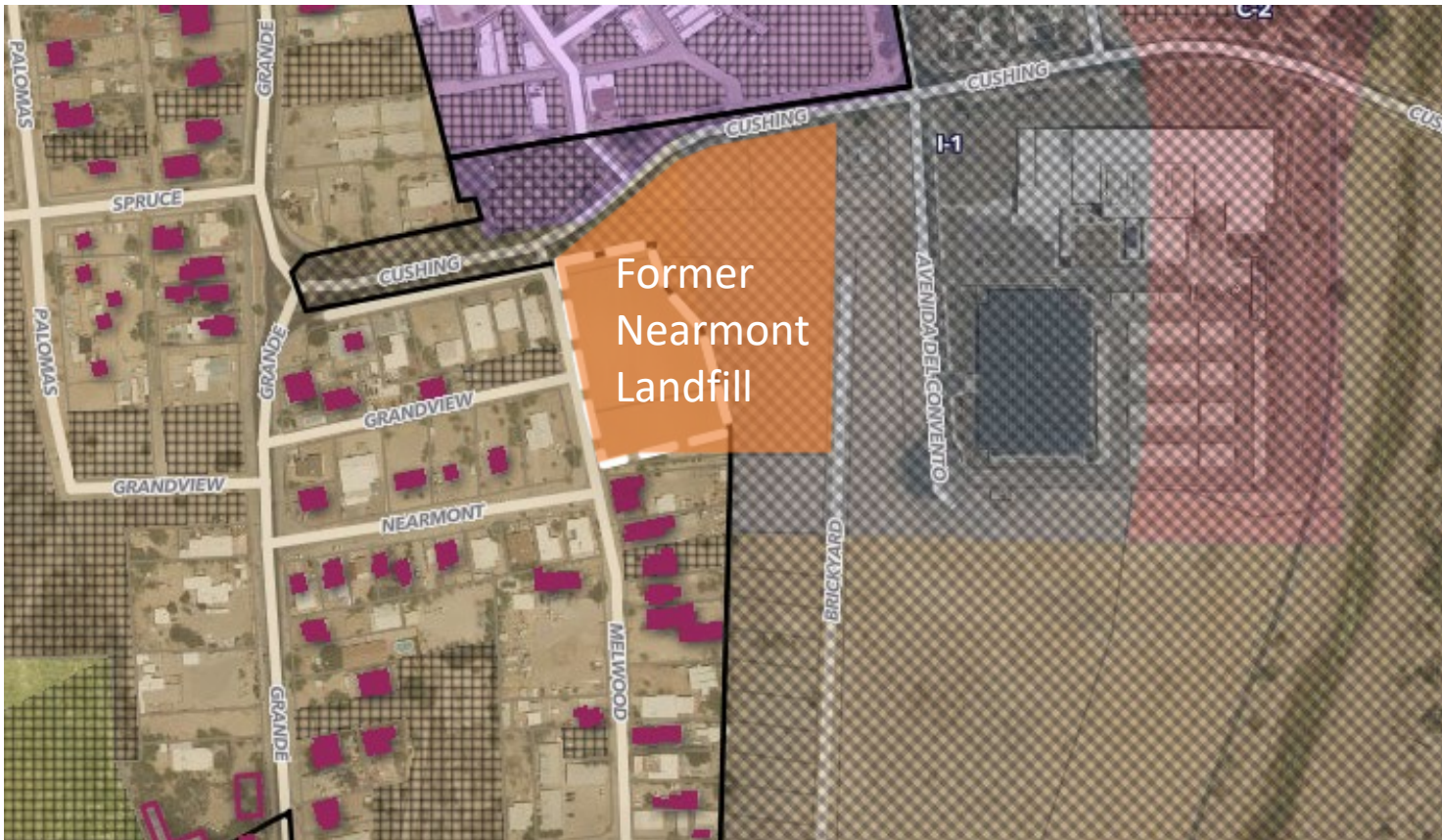


## Benefits of adding to IID:

- Allows for more comprehensive site planning / development
- Ultimate development plan would be shaped by the goals established in the Menlo Park Neighborhood Plan
- IID option includes requirements for open space
- Provides flexibility for parking, min lot size, and the location of open space

# Former Nearmont Landfill Site

Owned by City of Tucson  
Portion outside IID is zoned R-2  
Site is split by IID boundary



## Benefits of adding to IID:

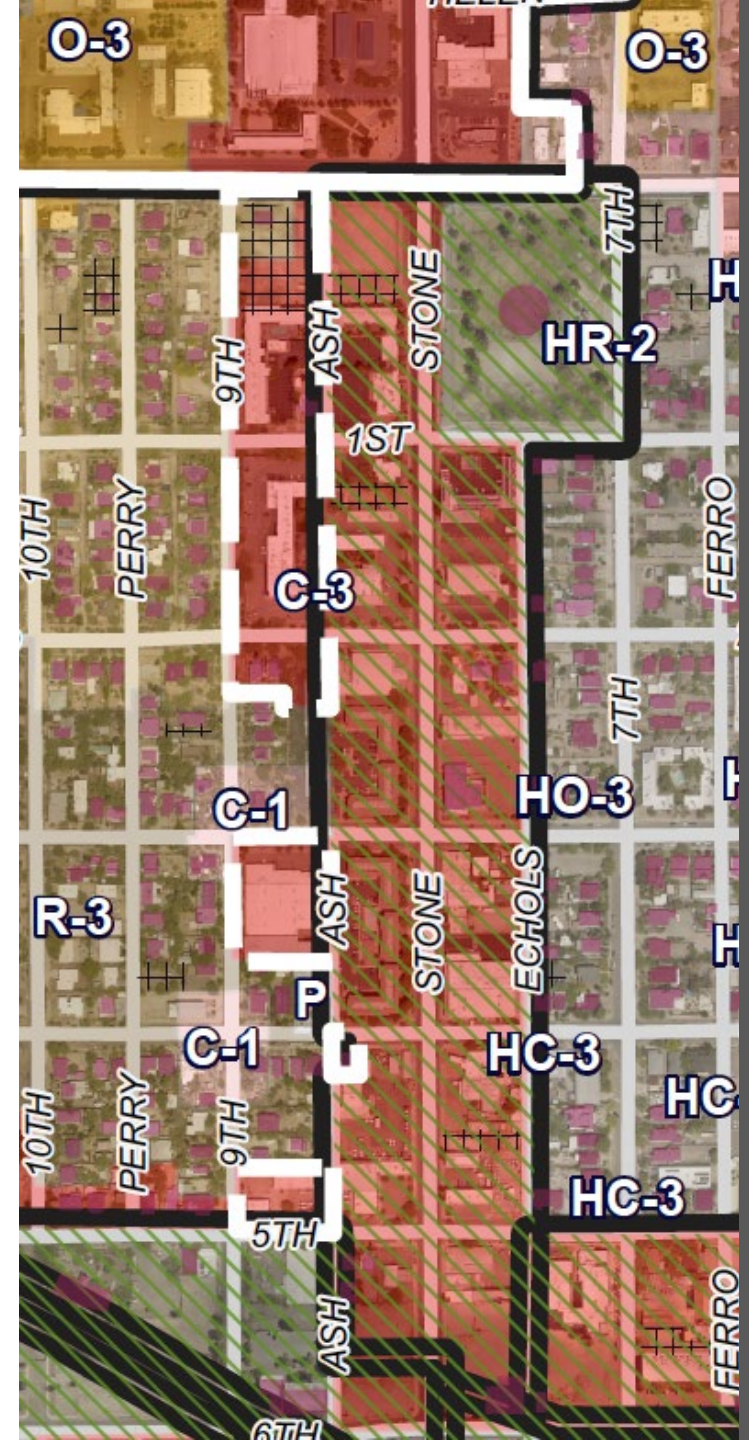
- Allows for more comprehensive site planning / development
- Ultimate development plan would be shaped by the goals established in the Menlo Park Neighborhood Plan
- IID option includes requirements for open space
- Provides flexibility for parking, min lot size, and the location of open space

# Commercially zoned property along Stone ave

- C-3 zoned properties (75' max building height)
- Many parcels split by the IID

## Benefits of adding to IID:

- Historic protections (de-listing is prohibited) in the IID would help to encourage reuse of existing structures
- IID includes transition standards and bulk reduction that the underlying zoning does not
- Flexibility (parking, landscaping, etc.) of the IID allows for a change of use when the underlying zoning generally does not

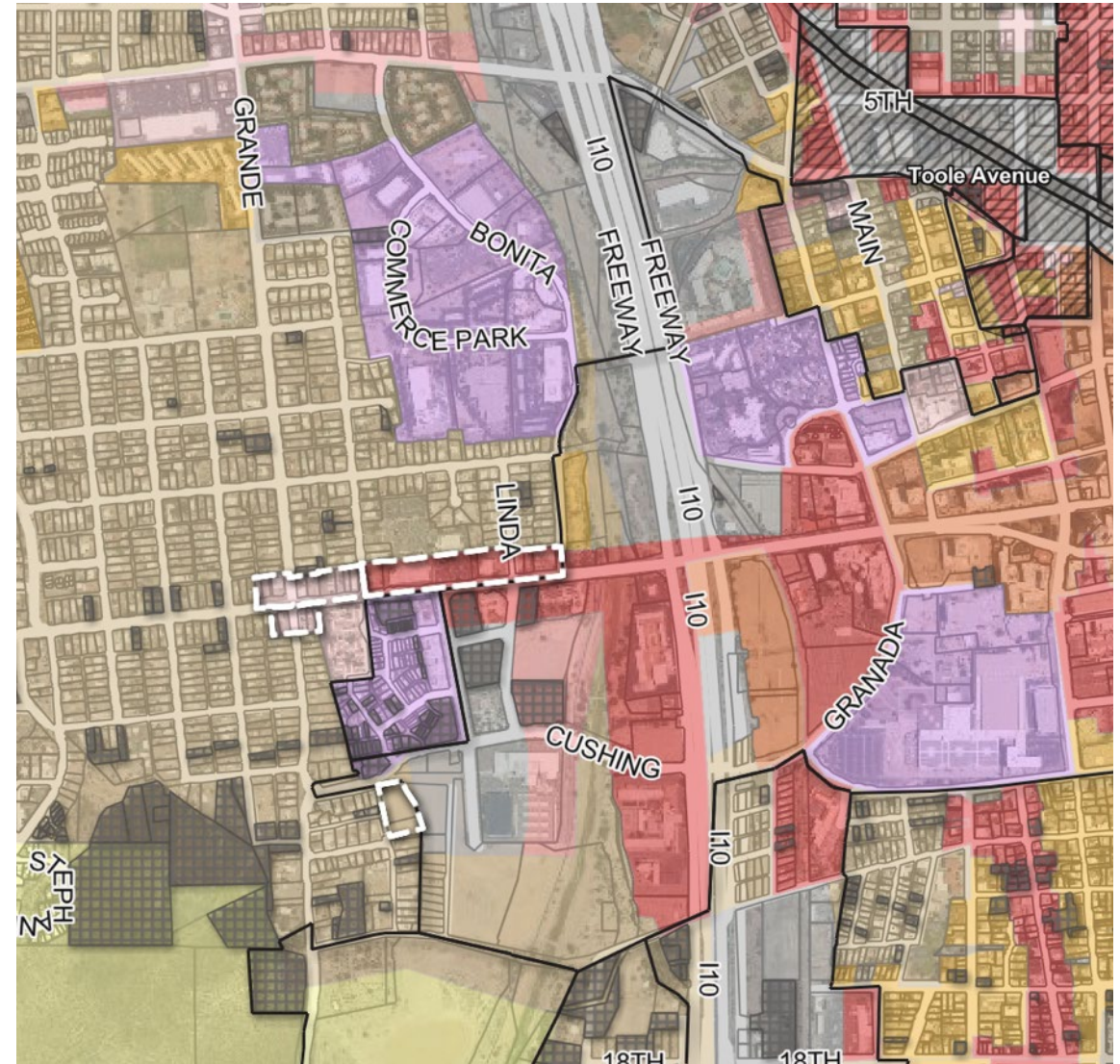




# IID Boundary Changes

Minor tweaks to boundaries at edges to reduce number of split parcels and include commercially zoned areas

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# IID Timeline and Next Steps

